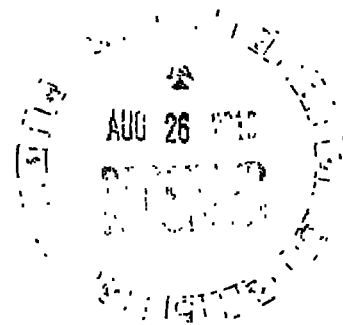


RECORDATION NO. 26550-6 FILED

AUG 26 '10 -3 27 PM

SURFACE TRANSPORTATION BOARD



## FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018-4214

**VIA UPS 2<sup>nd</sup> DAY AIR**

August 24, 2010

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street S.W., Suite 100  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) certified copies of a Memorandum of Lease, dated May 28, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 26550.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Pacific BioEnergy Corporation  
9988 Willow Cale Forest Rd  
Prince George, BC  
V2N 7A8 Canada

A description of the railroad equipment covered by the enclosed document is for ninety (90) 5851 cu. ft. capacity; covered hopper rail cars with TQEX marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows:                      Memorandum of Lease

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397.  
Thank you for your cooperation in this matter.

Sincerely,

Marcia Dunne  
Senior Documentation Specialist

Enclosures

(PBEC019)

AUG 26 '10 -3 27 PM

ASSGN. NO.: PBEC019

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE  
RIDER NO. 7**

**THIS MEMORANDUM OF LEASE** (the "Memorandum of Lease") is made and entered into as of May 28, 2010 by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Pacific BioEnergy Corporation, a British Columbia corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement dated as of August 1, 2006 (the "Lease") and Rider No. 7 thereto dated as of May 28, 2010 (the "Rider"), whereby Lessor has agreed to lease to Lessee certain railcars as more particularly described in Exhibit A attached hereto and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider which are incorporated herein by reference.

**IN WITNESS WHEREOF**, the parties hereto have each caused this Memorandum of Lease to be duly executed by their respective officers duly authorized as of the date and year first above written (and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

**LESSOR:**

FIRST UNION RAIL CORPORATION

Name: Susan A. Barrie

Title: Regional Vice President, Sales

Signature: 

**LESSEE:**

PACIFIC BIOENERGY CORPORATION

Name: Tim Knudsen

Title: General Manager

Signature: 

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS:           Ninety (90).

DESCRIPTION OF CARS:     5851 cu. ft., 286,000 GRL, covered hopper rail cars.

CAR NUMBERS:

TQEX 058002	TQEX 058123	TQEX 058211
TQEX 058008	TQEX 058126	TQEX 058213
TQEX 058019	TQEX 058127	TQEX 058217
TQEX 058032	TQEX 058133	TQEX 058219
TQEX 058041	TQEX 058138	TQEX 058220
TQEX 058047	TQEX 058141	TQEX 058225
TQEX 058049	TQEX 058143	TQEX 058237
TQEX 058055	TQEX 058145	TQEX 058255
TQEX 058062	TQEX 058146	TQEX 058296
TQEX 058066	TQEX 058147	TQEX 058308
TQEX 058067	TQEX 058150	TQEX 058351
TQEX 058070	TQEX 058151	TQEX 058352
TQEX 058071	TQEX 058152	TQEX 058356
TQEX 058079	TQEX 058153	TQEX 058375
TQEX 058080	TQEX 058154	TQEX 058384
TQEX 058081	TQEX 058155	TQEX 058391
TQEX 058083	TQEX 058156	TQEX 058393
TQEX 058084	TQEX 058157	TQEX 058402
TQEX 058087	TQEX 058162	TQEX 058410
TQEX 058090	TQEX 058165	TQEX 058414
TQEX 058096	TQEX 058166	TQEX 058424
TQEX 058099	TQEX 058176	TQEX 058428
TQEX 058100	TQEX 058182	TQEX 058429
TQEX 058105	TQEX 058187	TQEX 058440
TQEX 058109	TQEX 058197	TQEX 058474
TQEX 058111	TQEX 058201	TQEX 058476
TQEX 058112	TQEX 058202	TQEX 058477
TQEX 058117	TQEX 058204	TQEX 058481
TQEX 058118	TQEX 058205	TQEX 058485
TQEX 058121	TQEX 058207	TQEX 058496

STATE OF ILLINOIS)  
 ) SS  
COUNTY OF COOK)

### CERTIFICATION OF RECORDS

I, Susan Grokulsky, certify that I am the custodian of records for First Union Rail Corporation and that I have examined the attached copy of the Memorandum of Lease covering Rider No. 7 dated as of May 28, 2010, between First Union Rail Corporation (Lessor) and Pacific BioEnergy Corporation and that the same is a true and accurate copy of the original Memorandum of Lease relating to said lease.

Susan Grokulsky

STATE OF ILLINOIS)  
 ) SS  
COUNTY OF COOK)

I, Georgia Freiburger, a Notary Public of the County and State aforesaid, certify that Susan Grokulsky personally appeared before me this day and acknowledged her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 6th day of August, 2010.

Georgia Freiburger  
Notary Public

My Commission Expires:

6-2012  
(Notary Public)

